

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY**

Docket No. DE 18-XXX

**PETITION FOR ADJUSTMENT OF STRANDED COST RECOVERY CHARGE
FOR EFFECT ON FEBRUARY 1, 2019**

Pursuant to Puc 202.01(a) and Puc 203.06, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or “the Company”) hereby petitions the New Hampshire Public Utilities Commission (“Commission”) for a proceeding to adjust its Stranded Cost Recovery Charge (“SCRC”) for effect on February 1, 2019 pursuant to the requirements of RSA 374-F:3 and RSA 369-B:3, the Agreement to Settle PSNH Restructuring (Revised and Conformed) in Docket No. DE 99-099 (“Restructuring Settlement”), the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement in Docket No. DE 14-238 (the “2015 Agreement”), and Order No. 26,099 (January 30, 2018) in Docket No. DE 17-096. In support of its Petition, Eversource says the following:

1. The SCRC was established under the Restructuring Settlement and originally capped at an average of 3.40 cents per kilowatt hour. Once the Part 3 Stranded Costs were fully collected, the Restructuring Settlement provided that the SCRC would be set on a forecasted basis every six months and would include any over- or under-recovery of Part 1 and Part 2 stranded costs from the previous period.

2. In Order No. 24,641 (June 30, 2006), the Commission approved the reduction of the SCRC rate beginning July 1, 2006 to reflect the complete recovery of Part 3 Stranded Costs. The Part 1 costs were fully amortized in 2013 and the final disposition of the funds relating to the Part 1 costs was the subject of Order No. 25,815 (September 18, 2015) which, among other things, permitted the Company to recoup certain of those funds.

When the recoupment was completed in 2016, these initial Part 1 costs were completely recovered.

3. Consistent with the 2015 Agreement, which was approved by the Commission along with a related litigation settlement in Order No. 25,920 (July 1, 2016), no later than six months after the final financial closing resulting from the divestiture of Eversource's generating assets, Eversource was transition to a competitive procurement process for default Energy Service ("ES"). On June 29, 2017 in Docket No. DE 17-113 Eversource sought Commission approval of a proposal for procuring and providing ES to customers on a competitive basis, rather than through its traditional method, in line with this requirement of the 2015 Agreement. A Settlement Agreement relating to competitive procurement was approved by Order No. 26,092 (December 29, 2017) and, in relevant part, provided that Eversource would adjust its SCRC on February 1 and August 1 of each year coincident with the changes to the ES, following an initial adjustment on April 1, 2018.

4. On February 16, 2018 in Docket No. DE 18-023 Eversource submitted a petition and supporting documentation to adjust its SCRC on April 1 consistent with the settlement approved in Order No. 26,092. That material was updated on March 14, 2018. Consistent with the 2015 Agreement, the SCRC proposed in that filing contained elements that either had not been included in the SCRC to that point, or that were similar to elements that had previously been included, in particular: costs and market revenues associated with existing Independent Power Producers and the Burgess and Lempster Power Purchase Agreements; as well as estimated class specific RRB charges associated with the then-pending securitization of stranded costs. That petition was approved by the Commission in Order No. 26,116 (March 29, 2018). Thereafter, on May 8, June 15, and July 3, Eversource submitted information to update the SCRC effective on August 1, 2018. The update included additional elements to reflect the completion of securitization and other changes. The updated SCRC, an average rate of 2.053 cents/kWh for a Rate R customer including the RGGI adder rate and 2.147 cents/kwh without it, was approved by the Commission in Order No. 26,164 (July 31, 2018) and is the rate in effect today.

5. Enclosed with this Petition are the pre-filed testimony and attachments of Christopher J. Goulding supporting a change in the SCRC rates applicable to the Company's various rate classes. The changes to the SCRC rate as included in this preliminary filing are attributable to an estimated decrease in the February 1, 2019 RRB charges as compared to the current RRB charges and the removal of the non-scrubber energy service under recovery. This latter reduction is offset by the estimated new above market costs associated with the purchases from wood IPPs required by the passage of Senate Bill 365, which is described further below.

6. The enclosed attachments and exhibits contain Eversource's current estimates of the SCRC rates for the Company's customer classes for effect on February 1, 2019. The preliminary February 1, 2019 average SCRC rates (excluding the RGGI rebate amount) provided in this filing are:

Rate Class	Current Rate (cents/kwh)	Preliminary Rate (cents/kwh)
R	2.147	1.981
G	1.970	1.847
GV	1.626	1.538
LG	0.607	0.559
OL/EOL	2.253	2.133

The preliminary February 1, 2019 RGGI adder rate is calculated to be negative 0.104 cents/kWh for all customer classes compared to the current rate of negative 0.094 cents/kWh. Moreover, Eversource makes specific note that pursuant to the RRB True-Up Mechanism approved by the Commission in Order No. 26,099 (January 30, 2018) in Docket No. DE 17-096, it will be submitting a true-up advice letter no later than January 15 and, absent manifest error, the RRBs will be adjusted upward or downward to account for the true-up. That adjustment will be incorporated into the SCRC rate for effect on February 1, 2019. Eversource is not requesting approval of any specific rates at this time, but will update its estimates with more recent data before a hearing on the merits is held.

7. Lastly, the General Court recently passed Senate Bill 365, which has been codified as RSA chapter 362-H, and which requires utilities such as Eversource to purchase the output of certain “eligible facilities” at mandated above-market rates.

Pursuant to RSA 362-H:2, V:

The electric distribution company shall recover the difference between its energy purchase costs and the market energy clearing price through a nonbypassable delivery services charge applicable to all customers in the utility’s service territory. The nonbypassable charge may include recovery of reasonable costs incurred by electric distribution companies pursuant to this section. The recovery of the nonbypassable charge shall be allocated among Eversource’s customer classes using the allocation percentages approved by the commission in its docket DE 14-238 order 25,920 approving the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement.

Eversource includes in this submission its estimate of the difference between its energy purchase costs and the market energy clearing price for purchases required by RSA chapter 362-H. Eversource requests that the Commission rule that the costs of compliance with any Commission order for Eversource to purchase energy pursuant to RSA chapter 362-H will be recovered as part of Eversource’s SCRC rate as additional Part 2 non-securitized stranded cost as those costs are described in the 2015 Agreement.

WHEREFORE, Eversource respectfully requests that the Commission open a proceeding, set a schedule for the conduct of this matter, and order such further relief as may be just and equitable.

Respectfully submitted this 30th day of November, 2018.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A
EVERSOURCE ENERGY**

By: 

Matthew J. Fossum

Senior Counsel

Public Service Company of New Hampshire d/b/a Eversource Energy

780 N. Commercial Street

Manchester, NH 03101

603-634-2961

Matthew.Fossum@eversource.com